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TAGS: ECON ETRD KIPR RS
SUBJECT: THE MOSCOW TO ST. PETERSBURG ROAD: CHALLENGE AND
OPPORTUNITY

¶11. (U) Summary: Nowhere is the dilapidated state of Russia's roads more evident than with the highway connecting the country's two largest cities: Moscow and St. Petersburg. The crumbling, pot-holed, congested, two-lane M10 is called the "highway of death" by Russia's Head of Traffic Police. The road's current dilapidated condition, seven years into Russia's economic revival, symbolizes the challenges the country's deteriorating infrastructure poses to continued growth. The government's plans to build a high-speed road, starting this year and due to be completed in 2013, will in turn symbolize the country's renewed prosperity. End summary.

An Officer's Travel Log

¶12. (U) The drive from Moscow to St. Petersburg is treacherous and slow, as one Embassy officer can attest. The 700 kilometer trip took the officer 9 hours there and 11 hours back - making for an average speed of 70 kilometers an hour - or a bit over 30 miles per hour. The "highway" was bottle-necked and pot-holed throughout. In some places it was just two lanes and in other places whole stretches of the road disappeared as paved highway turned into dirt country road without warning.

¶13. (U) Accidents were frequent, on what the head of the government's traffic police calls the "highway of death." (According to government statistics, about 1,500 people die on the M10 every year, most in head-on collisions.) Trucks frequently swerved onto oncoming traffic to avoid potholes, narrowly missing cars. Throughout the journey, powerful headlights of the oncoming rigs reflected off heavy rain, creating a binding glare and an unholy mist that shrunk night visibility to zero. Drivers engaged in a game of chicken when the two-lane road gained another lane, sometimes only several meters long. Cars and trucks would speed up to overtake other vehicles and then when the third lane ended, swerved suddenly back into an already congested, slow-moving lane.

¶14. (U) Signs of civilization were sparse between towns. Although the "Gaishniki" or traffic police were ubiquitous, frequently stopping cars to check drivers' documents, road services were all but non-existent. Gas stations, some modern with mini-mart stores and pay-per-use restroom facilities, would be encountered at random intervals. Neglected peasant huts, nearly falling over, with wooden walls black and half rotted from years without paint were a more frequent sight. Along the shoulders, there was a slow trade in just about everything: potatoes, berries, mushrooms, bath towels and cheap plastic toys.

Rebuilding Russia's Roads

15. (SBU) The road from Moscow to St. Petersburg is one of the most visible symbols of the country's infrastructure problems. According to Renaissance Capital's Research Director, Roland Nash, the country has systematically failed to invest in its infrastructure over the past 15 year and as a result now has at least a trillion dollars in unmet infrastructure needs. Much of Russia's road system is in complete despair: one-third of federal highways do not meet required standards of safety and maintenance and more than two-thirds of local roads are in need of major repairs. The poor state of the country's roads has long been a source of discontent for Russians and is now also emerging as a major obstacle to continued economic growth.

16. (SBU) Russia's new government appears determined to address the country's infrastructure needs in general and the poor state of the roads in particular. Construction of a new high-speed Moscow-St. Petersburg road is at the top of the list of planned projects, with President Medevedev having stated earlier this year that construction would start this year. Although to date no plans have been made public, the French concern Vinci, Europe's largest construction company, has reportedly signed a memorandum of understanding with Ministry of Transportation to build a toll road between the two cities at a cost of \$14 billion in a public-private partnership agreement. The new road, to be completed by 2013, should cut the driving time between the two cities in half and will be an important symbol of Russia's restored prosperity.

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